QUEEN'S PRINTER AGENCY

1998/99 ANNUAL REPORT

QPA
QUEEN'S PRINTER
AGENCY

Yukon
Government Services

103-03183/

Yukon

Government Services
Box 2703, Whitehorse, Yukon Y1A 2C6

Our File:
Your File:

November 16, 1999

The Honourable David Sloan
Minister of Government Services
P.O. Box 2703
Whitehorse, Yukon
Y1A 2C6

Dear Mr. Minister:

I have the honour to submit for your consideration the Annual Report for the Queen's Printer Agency (QPA) for the year ended March 31, 1999

The QPA has taken important steps to meet our customer expectations. The Agency lives up to its mission, which is to help government departments and publicly-funded agencies meet their objectives by providing cost-effective, client-driven publishing services.

The pursuit of defined objectives and the delivery of services focused on customer satisfaction will equip the QPA to meet the challenges of the future.

Respectfully submitted,

Peter Laight

Peter Laight
Deputy Minister

KLONDIKE
GOLD RUSH
CENTENNIAL

Yukon

Government Services
Box 2703, Whitehorse, Yukon Y1A 2C6

Our File:
Your File:

November 16, 1999

We are pleased to present our second Annual Report of the Queen's Printer Agency (QPA) for the fiscal year 1998/1999.

This report describes the Agency, the services it provides, and its accomplishments during our second year as a special operating agency.

QPA's second year was a challenging year, which included working with all of the government departments and publicly-funded agencies and incorporating a new philosophy about the publishing field and the fee-for-service model.

Our challenge for the future will be to improve our performance while managing a larger demand on our services as a result of federal government programs devolved to the Government of Yukon.

QPA management and staff acknowledge and thank the Yukon Government and our clients for their support of the SOA concept.

Dave Parfitt
Director, Supply Services

Jo Pond
Agency Head

KLONDIKE
GOLD RUSH
CENTENNIAL

TABLE OF CONTENTS

OVERVIEW. 1

AGENCY STRUCTURE 1

MISSION 1

MANDATE 1

SERVICES 1

1998/99 HIGHLIGHTS 3

OPERATING RESULTS 4

SUMMARY 4

1998/99 FINANCIAL INFORMATION F1

OVERVIEW

Effective April 1, 1997, fee-for-service was implemented for the Queen's Printer. On April 1, 1998 the Queen's Printer Agency became a fully operational Special Operating Agency (SOA). Our focus is to provide services to departments, showing them that the most efficient way to do any publishing work is through the QPA.

AGENCY STRUCTURE

The Agency is a program of the Department of Government Services, responsible to the Deputy Minister of Government Services. As such, it is subject to government legislation, policies and directives, and contributes to the overall mission and mandate of the department.

The day-to-day business of the Agency is managed by the Agency Head reporting to the Director, Supply Services Branch.

MISSION

The mission of the Queen's Printer Agency is:

To help government departments and publicly funded agencies meet their objectives by providing cost-effective, client-driven publishing services.

MANDATE

The Queen's Printer Agency is accountable for:

a) Bottom line results: managing the delivery of publishing services in an entrepreneurial and business-like manner to ensure that the best use is made of government resources.
b) Client service: satisfying its clients' publishing and equipment planning needs.
c) Private Sector Involvement: providing opportunities for private sector services.

SERVICES

In-house, black ink print-on-demand production.

QPA has defined the niche it will fill in meeting government-wide printing needs, namely black ink, print-on-demand service. Offset and colour production will be left to the private sector. QPA is committed to working within the defined niche, leaving its private sector printing partners as much certainty as possible as they pursue their business planning and investment strategies. QPA printroom staff maintain the ability to supply quick turnaround on print projects and confidentiality (i.e., budget documents, Ministerial announcements, introduction of new legislation) which would be difficult to obtain from private sector printers.

Effective print-on-demand services mean that clients can order the exact number of copies they need at the moment, without having to keep an inventory on hand for some possible future demand. Information does not become stale because changes to originals can be made quickly and easily when the next set of copies is required. There is less printroom paper waste than with offset printing, and less waste because there are fewer unused copies. Printing costs remain the same, regardless of job size, so clients do not order more than they really need simply to get a lower unit cost. Clients also have the ability to forward jobs electronically on floppy disk or zip disk.

Creative services and graphics consulting

QPA design staff helps clients and QPA Account Managers develop creative concepts and themes for projects in the pre-planning stage. This helps develop cost effective, efficient and comprehensive specifications and instructions for private sector design studios. QPA design staff assumes the role of Creative Director for comprehensive projects. Design staff helps clients liaise with private sector design studios to ensure budget, timeline and quality are maintained. QPA design staff provides technical assistance to clients in the ever-changing area of digital graphics, e-mailing and transferring of graphics files as well as reading, printing and producing film from digital files. QPA design staff maintains the latest technology and computer design equipment in the QPA design studio in order to assist clients verify, modify, edit, and archive digital graphics files. QPA design staff maintains the ability to supply quick turnaround graphic design, confidential production services and special project designs (i.e., production prior to Ministerial announcement) that would otherwise be difficult or impossible to obtain from private sector design studios.

Forms design and production

QPA assists clients in the development and design of forms required to manage their business. In-house design and production services in conjunction with private sector form's design studios provide clients with an efficient and economical source for their forms' requirements including new forms and most importantly forms updating. QPA maintains a tracking system for the government's forms both chronologically and numerically by assigning code reference numbers (YG numbers), and also manages pre-press and printing of forms. QPA will continue to assess forms design as revision requests are received in order to ensure all technical barriers are removed so as to allow local printing of forms.

Project management and publishing contract management

Clients seek advice and assistance on a wide range of publishing matters from QPA Account Managers who are prepared to become a partner in the management of the project. True value added assistance includes:

- pre-production planning and advice;
- preparing specifications for production and printing;
- obtaining competitive quotations;
- issuing and managing supplier contracts;
- preparing timelines for the project;
- advising on visual identity requirements;
- monitoring the project quality;

- coordinating all the partners in the project to ensure it is on time, on budget and at the highest quality, and
- working with clients and suppliers to resolve any problems that may arise during and after contract performance.

Subscription services

QPA publishes legislative documents and government publications to regular subscribers and one-time buyers. High profile publications include Hansard, Yukon Gazette, statutes and regulations. Legislative Publications Pricing Regulations, O.I.C. 1994/211, Public Printing Act, sets the fee schedule for all legislative publications. Recoveries are deposited into the Consolidated Revenue Fund.

1998/99 HIGHLIGHTS

The QPA hosted the 47th annual conference of the Queen's Printer Association of Canada from June 10 – 15, 1998. Delegates attended from all provinces.

The QPA staff continued their ongoing role in assisting client departments with the management of their publishing projects. "Bubbles", a booklet for children, was designed in-house in conjunction with the Department of Health and Social Services. It received national recognition. It is now to be used in British Columbia and Saskatchewan for pre-school/kindergarten levels to discuss personal space and child abuse. Dave Sloan, minister for both departments was present for the unveiling at the Whitehorse Public Library.

The "Need Snow" design was also an in-house concept prepared with the Department of Tourism. It received the 1998 Marketing Award from the Association of Film Commissioners International – first place province, state, region for black and white full page and fractional in US.

The QPA worked with Economic Development and a local designer and printer to produce an Oil and Gas promotional book.

The QPA worked with Economic Development on the Yukon Government Fund Immigrant Investor program (Korean, Chinese and English offerings, summaries and English forms).

The QPA worked with Health and Social Services on "It Takes 2" Chlamydia Phase Two program (booklets, boxes and posters).

The QPA continued to work with Renewable Resources on the project management of the Recycling Club Campaign. This campaign has been very successful and has become an annual event.

OPERATING RESULTS

The QPA endeavored to achieve its goals outlined in the 1998/99 Business Plan. Some major accomplishments towards that end included:

- Financial management system – Set up a computerized journal to assist with the month-end billing to all clients, enabling us to send invoices out to our clients approximately five days after month end.
- Networking of Docutech – conducted testing on select workstations ability to print directly to Docutech.
- Subscription management services:
  - Customers can now pay by credit card or Interac.
  - Orders for legislative material can be placed via e-mail.
  - CD-ROM with Statutes and Regulations up to 1997 was produced. Statutes (1998) and Regulations (1997) are also available through Justice ACJNET website.
- Ongoing review of forms with departments in an effort to eliminate obsolete forms and remove barriers to local printers.
- Continue to explore the development and use of electronic forms.

There were 7.3 million images produced in-house. QPA will increase communication with departments to emphasize the efficiency of using QPA quick-print services. In 1998/99 convenience copiers in departments were used to produce 15.8 million copies. QPA's goal is to reduce that number and correspondingly increase the 7.3 million copies produced in-house.

The QPA collected revenue of $379,000:
- $356,000 for the printroom operations and
- $23,000 for graphic/forms design work.

SUMMARY

The second year of operation was very challenging. From the end of June to mid September the business was run by the Manager as all three account managers had tendered their resignations. Our financial results indicate that the printing volumes for 1998/99 were overestimated for most departments, which resulted in a financial loss for the agency. The Agency will need to review the rate structure and the services we provide in order to minimize the chance of another financial loss.

The QPA will explore implementing networking of the Docutech for all government departments and enhancing the forms' production and inventory system.

The Agency continues to emphasize its commitment to customer service. Staff will avail themselves of customer service courses as they become available. Cross-training opportunities will be explored.

The rate structure will be reviewed prior to delivery of the 2000/2001 Business Plan. Capital asset replacement/acquisition was never incorporated in the initial rate structure. The review will look at the lower volume of copies produced, and the move towards full costing of services by including capital, in addition to ongoing operating costs.

Queen's Printer will develop a graphic design contract to be used by all clients when beginning a design project. The contract will include the clauses regarding copyright ownership and will be registered by Queen's Printer. A copy will also be made available to the appropriate Departmental Communicator. In this way, Queen's Printer and Government Communicators will be aware of any and all projects coming our way.

QUEENS PRINTER AGENCY

(A SPECIAL OPERATING AGENCY OF YUKON GOVERNMENT SERVICES)

FINANCIAL STATEMENTS

March 31, 1999

Queen's Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Balance Sheet
As at March 31, 1999
(thousands of dollars)

	1999
Assets	
Current	
Accounts receivable (note 3)	$ 2
Long Term	
Capital assets (note 4)	306
Total Assets	**$308**
Liabilities and Accumulated Surplus	
Current	
Accounts payable and accrued liabilities	$ 8
Current portion of lease obligation (note 8)	52
Total Current Liabilities	60
Long Term	
Lease obligation (note 8)	78
Due to Government of the Yukon (note 5)	161
Total Long Term Liabilities	239
Total Liabilities	**299**
Accumulated surplus	9
Total Liabilities and Accumulated Surplus	**$308**

Legislative compliance (note 6)
The accompanying notes are an integral part of the financial statements.

Approved:

Deputy Minister
Yukon Government Services

Minister
Yukon Government Services

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Statement of Income
For the year ended March 31, 1999
(thousands of dollars)

	1999
Revenue:	
In-house printing by YTG Departments (note 3)	$379
Expenses:	
Personnel Costs	208
Repairs and Maintenance	89
Supplies	66
Amortization Expense	28
Contract Services	16
Interest	10
Communications	2
Postage and Freight	1
	420
Net loss for the year	**$ (41)**

The accompanying notes are an integral part of the financial statements.

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Statement of Accumulated Surplus
For the year ended March 31, 1999
(thousands of dollars)

	1999
Legislative appropriation	$50
Net loss for the year	(41)
Balance, end of year	**$9**

The accompanying notes are an integral part of the financial statements.

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Statement of Changes in Financial Position
For the year ended March 31, 1999
(thousands of dollars)

	1999
Operating activities	
Net loss for the year	$ (41)
Item not involving cash	
Amortization	28
Increase in non-cash working capital	136
	123
Financing activities	
Legislative appropriation	50
Increase in due to Government of the Yukon	161
	211
Investing activities	
Acquisition of capital assets	(334)
	(334)
Change during year, being cash, end of year	**$ –**

The Agency does not have cash. Cash is held and managed on behalf of the Agency by the Department of Finance, Government of the Yukon.

The accompanying notes are an integral part of the financial statements.

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Notes to the Financial Statements
For the year ended March 31, 1999

1. Authority and Operations

The Agency was established as a Special Operating Agency under the Queens Printer Agency Charter with the approval of the Cabinet of the Government of the Yukon. Fee-for-service delivery started on April 1, 1998.

The Agency is a unit within the Supply Services Branch of the Department of Government Services, Government of the Yukon and is responsible for helping government departments and publicly funded agencies meet their objectives by providing cost-effective, client-driven publishing services. The Agency is accountable for its activities as described in its charter. As a program of the Department, the Agency is subject to government legislation, directives and policy.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles.

Amortization

Capital assets were acquired from the Government of the Yukon on April 1, 1998, at their unamortized cost. Although the Agency is responsible for the operation and safeguarding of the capital assets, the Government of Yukon retains title to the assets.

Capital assets are estimated to have no salvage value at the end of their normal life. Amortization is provided on a straight-line basis over the estimated useful life of the asset. Additions during the year are amortized from the month of purchase.

The normal life for each asset is as follows:

Docutech	15 years
Docutech Attachments	Remaining Life of Docutech

Services provided without charge

The Agency does not record the value of services it receives without charge. These services include the following:

- use of office premises and vehicle parking area which are provided by the Government of the Yukon
- telephone, utilities, office and other overhead costs which are also provided by the Government of the Yukon
- interest free legislative appropriation and other advances from the Government of the Yukon

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Notes to the Financial Statements
For the year ended March 31, 1999

2. Significant Accounting Policies (continued):

Pensions

The employees of the Agency are deemed to be employees of the Government of the Yukon. Both the Agency and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Agency is only liable for current contributions which are expensed in the accounts on a current basis.

3. Related party transactions

The Special Operating Agency is related to the following parties in terms of being a program of the Department of Government Services.

Revenue consists of the following:

Government Departments

	1999
	(000's)
Community and Transportation Services	$ 35
Education	87
Economic Development	24
Renewable Resources	26
Government Services	55
Executive Council Office	33
Finance	29
Health and Social Services	35
Justice	15
Public Service	20
Tourism	10
Other	6
	375

Corporations

Workers Compensation Board	3
Other	1
	4
	$379

Accounts receivable consists of the following:

Workers Compensation Board	2

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Notes to the Financial Statements
For the year ended March 31, 1999

4. Capital Assets

	1999 (thousands of dollars)		
	Value March 31/99	Accumulated Amortization	Net Book Value
Docutech	239	21	218
Online Card Tape/Disc	39	3	36
Server	51	4	47
Electric Power Punch (Purchased Mar/99)	5	-	5
	334	**28**	**306**

The following capital assets were acquired from the Government at the inception of the agency but were considered fully depreciated:

	1999 (thousands of dollars)		
	Year of Acquisition	Cost	Replacement Cost at April 1/98
GBC Punch	1981	3	5
Cutter, Paper	1983	23	43
Stitcher, Bostich	1984	5	8
Paper drilling machine	1985	9	14
Binder, Cerlox, 16", electric	1985	2	4
Folding unit, AB Dick	1987	6	12
Photocopier, Xerox 1090	1987	73	70
Spreader, Cerlox	1991	2	3
Punch, Cerlox	1991	3	5
		126	**164**

5. Due to Government of the Yukon

Due to Government of the Yukon is a long-term advance to the Agency consisting of the following:

- capital assets acquired by the Government of the Yukon prior to establishment of the Agency or through the devolution of Federal Government Programs, for use by the Agency; and
- cash received or disbursed by the Government of the Yukon on behalf of the Agency, since the Agency's full year of fee-for service commencing April 1, 1998.

The advance is non-interest bearing and there are no fixed terms of repayment.

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Notes to the Financial Statements
For the year ended March 31, 1999

6. Legislative Compliance

The Queen's Printer Revolving Fund is governed by subsection 44.4 of the Financial Administration Act.

- 44.4 (1) states that the Fund limit shall be $1,000,000. The balance of the Revolving Fund at March 31, 1999 was $308,000.

- 44.4(2) states that the accumulated capital and operations and maintenance expenditures, excluding amortization, shall not exceed the accumulated revenues in the Fund at the time of expenditure. The following schedule shows that this legislative requirement has been met.

	1999 (000's)
Opening Balance, April 1, 1998	$ 0
Revenues from operations	379
Legislative appropriation	50
	429
Capital expenditures	5
Operations and maintenance expenditures	420
Less: Amortization	(28)
	397
Excess of revenues over expenditures, as defined in subsection 44.4(2)	**$ 32**

- 44.4 (3) states that capital expenditures from the fund shall not exceed $350,000 in a fiscal year. Capital expenditures for the year ended March 31, 1999, were $5,000.

7. Uncertainty due to the Year 2000 Issue

- The year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000, and, if this issue is not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Agency's ability to conduct normal business operations.

- The Agency is currently working to resolve the potential effect of the year 2000 issue on its operations. Despite the Government's and Agency's efforts to address this issue, it is not possible to be certain that all aspects of the year 2000 issue affecting the Agency, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

Queens Printer Agency
(A Special Operating Agency of
Yukon Government Services)
Notes to the Financial Statements
For the year ended March 31, 1999

8. Lease obligation

	1999 (000's)
Lease agreement with Xerox Canada for the DocuTech, payable in annual installments of $46,359 April 1 of each year. Lease installments include implied interest of 8.45%. Last payment due on April 1, 2001.	$118
Lease agreement with Xerox Canada repayable in quarterly installments of $4,102.91 including implied interest of 3.75% for Docutech Netware Card and Online Tape and Disk. Last payment due on September 1, 1999.	12
Less current portion	52
	$78

Aggregate repayments of long-term debt are as follows:

1999	$52,333
2000	$43,650
2001	$34,767